

# 2011 Property Tax Report

## Spencer County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Spencer County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Spencer County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	4,613	90.0%	282	5.5%
No Change	159	3.1%	36	0.7%
Lower Tax Bill	352	6.9%	4,806	93.8%
<b>Average Change in Tax Bill</b>	<b>10.6%</b>		<b>-29.4%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	542	10.6%	161	3.1%
10% to 19%	1,733	33.8%	47	0.9%
1% to 9%	2,338	45.6%	74	1.4%
0%	159	3.1%	36	0.7%
-1% to -9%	196	3.8%	119	2.3%
-10% to -19%	62	1.2%	310	6.0%
-20% to -29%	24	0.5%	1,175	22.9%
-30% to -39%	18	0.4%	1,388	27.1%
-40% to -49%	6	0.1%	994	19.4%
-50% to -59%	8	0.2%	421	8.2%
-60% to -69%	6	0.1%	107	2.1%
-70% to -79%	9	0.2%	57	1.1%
-80% to -89%	6	0.1%	68	1.3%
-90% to -99%	6	0.1%	55	1.1%
-100%	11	0.2%	112	2.2%
<b>Total</b>	<b>5,124</b>	<b>100.0%</b>	<b>5,124</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
*HIGHER TAX RATE AND THE  
 LOSS OF THE STATE  
 HOMESTEAD CREDIT RAISED  
 HOMEOWNER TAX BILLS*  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 10.6% on average in Spencer County in 2011. This was more than the state average of 4.4%. Spencer County homestead taxes were still 29.4% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the increase in tax rates and partly to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.5% in Spencer County in 2010.

#### Tax Rates

Property tax rates increased in almost all Spencer County tax districts. The average tax rate rose by 2.9% because the increase in the levy exceeded the increase in certified net assessed value. Levies in Spencer County increased by 5.0%. The biggest levy increases were in the North Spencer County Schools debt service and capital projects funds, Ohio Township fire building debt and the county general, 4-H, and health funds. Spencer County's total net assessed value increased 6.1% in 2011. (The certified net AV used to compute tax rates rose by 2.0%.) Homesteads increased by 2.4%, and agricultural net assessments increased by 1.9%. Other residential assessments showed an increase of 6.4%, while business net assessments increased by 8.4%.

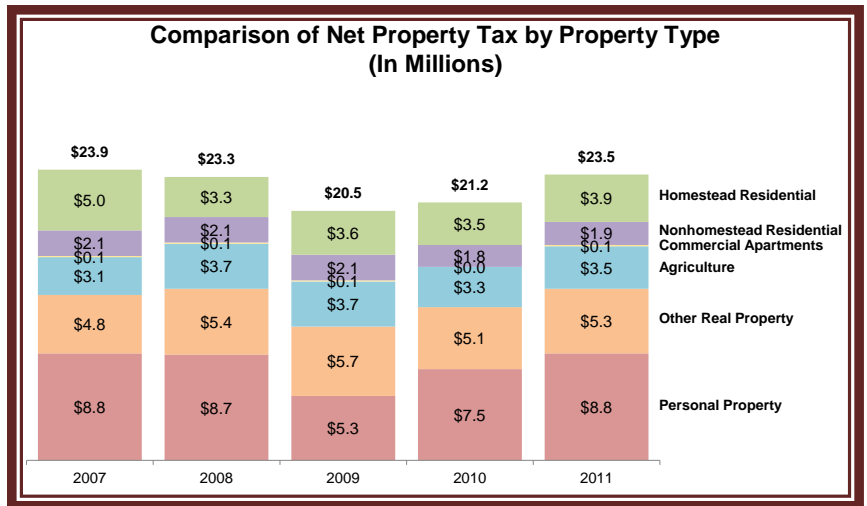
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**TAX INCREASES FOR ALL CATEGORIES OF  
NONHOMESTEAD PROPERTY**

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**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers rose 10.4% in Spencer County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 3.5%. Tax bills for commercial apartments rose 77.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased 12%. These tax bill increases were the result of higher tax rates and increases in assessed values. Agricultural tax bills rose 5.7%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



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**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED IN  
2011, BUT REMAINED VERY SMALL**

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Total tax cap credit losses in Spencer County were \$84,543, or 0.4% of the levy. This was much less than the state average loss rate of 9.2% and much less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Spencer County's tax rates were much lower than the state median.

About three-fourths of the total tax cap credits were in the 2% nonhomestead/farmland category; the rest were in the 1% homestead and elderly category. Spencer County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the city of Rockport and the towns of Gentryville and Richland. The largest dollar losses were in the South Spencer County School Corporation, Rockport, and the county unit.

Spencer County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$14,760	\$55,824	\$0	\$1,677	\$72,262	0.3%
2011 Tax Cap Credits	11,014	63,215	0	10,314	84,543	0.4%
Change	-\$3,745	\$7,390	\$0	\$8,637	\$12,282	0.0%

Tax cap credits increased in Spencer County in 2011 by \$12,282, or 17%. The additional credits

represent little added loss in the total tax levy. Most of the increase in tax cap credits was in the elderly tax cap category, which prevented tax bills on homesteads owned by people aged 65 and over with low incomes from rising more than 2%. The elimination of the state homestead credit contributed to this increase.

**The Effect of Recession**

The 2009 recession had little effect on Spencer County assessments for pay-2011. Property values and construction activity appear to have increased in Spencer County in 2009. The rise in assessments kept tax rates from rising more. Tax rates are too low in Spencer County for assessment changes to have much effect on tax cap credit revenue losses, however.

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**2009 RECESSION HAD LITTLE EFFECT  
ON ASSESSMENTS IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$638,251,503	\$654,855,720	2.6%	\$256,753,466	\$262,803,658	2.4%
Other Residential	85,906,740	91,299,140	6.3%	85,286,890	90,717,642	6.4%
Ag Business/Land	222,444,160	226,588,960	1.9%	221,918,260	226,209,936	1.9%
Business Real/Personal	974,030,710	1,003,932,655	3.1%	839,134,180	909,470,520	8.4%
<b>Total</b>	<b>\$1,920,633,113</b>	<b>\$1,976,676,475</b>	<b>2.9%</b>	<b>\$1,403,092,796</b>	<b>\$1,489,201,756</b>	<b>6.1%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Spencer County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	29,337,539	30,689,358	19,332,841	19,655,642	20,634,398	4.6%	-37.0%	1.7%	5.0%
State Unit	28,872	31,188	0	0	0	8.0%	-100.0%		
Spencer County	6,475,766	7,000,341	5,777,014	6,320,521	6,455,019	8.1%	-17.5%	9.4%	2.1%
Carter Township	23,247	24,060	24,507	25,903	25,772	3.5%	1.9%	5.7%	-0.5%
Clay Township	36,719	38,030	39,454	41,170	42,128	3.6%	3.7%	4.3%	2.3%
Grass Township	47,972	72,923	72,213	65,473	78,405	52.0%	-1.0%	-9.3%	19.8%
Hammond Township	27,927	30,792	32,021	33,183	34,073	10.3%	4.0%	3.6%	2.7%
Harrison Township	25,275	25,872	26,666	28,092	28,881	2.4%	3.1%	5.3%	2.8%
Huff Township	14,699	15,214	15,378	16,297	16,754	3.5%	1.1%	6.0%	2.8%
Jackson Township	18,067	19,408	17,890	19,890	20,422	7.4%	-7.8%	11.2%	2.7%
Luce Township	225,604	238,113	237,888	190,740	231,610	5.5%	-0.1%	-19.8%	21.4%
Ohio Township	299,767	255,275	215,375	253,039	376,255	-14.8%	-15.6%	17.5%	48.7%
Rockport Civil City	486,665	497,612	472,480	414,727	395,552	2.2%	-5.1%	-12.2%	-4.6%
Chrisney Civil Town	40,482	41,798	43,654	44,592	46,356	3.3%	4.4%	2.1%	4.0%
Dale Civil Town	232,726	241,196	243,169	260,422	267,656	3.6%	0.8%	7.1%	2.8%
Gentryville Civil Town	20,722	20,638	21,800	21,171	22,293	-0.4%	5.6%	-2.9%	5.3%
Grandview Civil Town	67,779	70,995	73,865	76,622	78,695	4.7%	4.0%	3.7%	2.7%
Santa Claus Civil Town	528,650	544,628	566,419	587,276	602,951	3.0%	4.0%	3.7%	2.7%
Richland Civil Town	0	0	0	59,992	61,851				3.1%
North Spencer County School Corp	8,759,469	9,245,405	5,270,641	4,800,818	5,342,278	5.5%	-43.0%	-8.9%	11.3%
South Spencer County School Corp	10,334,453	10,582,084	4,498,726	4,594,448	4,656,732	2.4%	-57.5%	2.1%	1.4%
Spencer County Public Library	833,871	853,018	831,849	903,715	928,909	2.3%	-2.5%	8.6%	2.8%
Lincoln Heritage Public Library	434,084	448,879	462,705	480,705	493,408	3.4%	3.1%	3.9%	2.6%
Carter Fire Protection Dist	86,002	89,108	90,593	96,175	98,703	3.6%	1.7%	6.2%	2.6%
Spencer County Solid Waste Mgt Dist	288,721	302,781	298,534	320,671	329,695	4.9%	-1.4%	7.4%	2.8%

### Spencer County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	LOIT Homestead	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead			
74001	Carter Township	1.5982	--	4.1288%	--	--	--	--	--	1.5322
74002	Dale Town	2.0498	--	4.9817%	--	--	--	--	--	1.9477
74003	Santa Claus Town-Carter Township	1.8786	--	4.4997%	--	--	--	--	--	1.7941
74004	Clay Township	1.5632	--	3.9761%	--	--	--	--	--	1.5010
74005	Santa Claus Town-Clay Township	1.8841	--	4.4854%	--	--	--	--	--	1.7996
74006	Grass Township	1.6102	--	3.8429%	--	--	--	--	--	1.5483
74007	Chrisney Town	2.0765	--	4.9471%	--	--	--	--	--	1.9738
74008	Hammond Township-North	1.6135	--	4.3339%	--	--	--	--	--	1.5436
74009	Hammond Township-South	1.3840	--	4.6964%	--	--	--	--	--	1.3190
74010	Grandview Town	2.0578	--	5.7781%	--	--	--	--	--	1.9389
74011	Harrison Township	1.5395	--	3.9812%	--	--	--	--	--	1.4782
74012	Santa Claus Town-Harrison Town	1.8907	--	4.5225%	--	--	--	--	--	1.8052
74013	Huff Township	1.5289	--	3.9476%	--	--	--	--	--	1.4685
74014	Jackson Township	1.5810	--	4.0867%	--	--	--	--	--	1.5164
74015	Gentryville Town	2.2789	--	4.8415%	--	--	--	--	--	2.1686
74016	Luce Township	1.5955	--	4.6224%	--	--	--	--	--	1.5217
74017	Ohio Township	1.3823	--	4.5255%	--	--	--	--	--	1.3197
74018	Rockport City	2.3098	--	5.9941%	--	--	--	--	--	2.1713
74019	Richland Town	2.6293	--	5.9504%	--	--	--	--	--	2.4728

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

# Spencer County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	11,014	63,215	0	10,314	84,543	20,634,398	0.4%
<i>TIF Total</i>	0	0	0	0	0	3,074,935	0.0%
<i>County Total</i>	11,014	63,215	0	10,314	84,543	23,709,333	0.4%
Spencer County	2,875	13,487	0	2,837	19,198	6,455,019	0.3%
Carter Township	2	27	0	9	38	25,772	0.1%
Clay Township	98	0	0	16	113	42,128	0.3%
Grass Township	13	26	0	13	52	78,405	0.1%
Hammond Township	0	51	0	7	57	34,073	0.2%
Harrison Township	0	0	0	13	13	28,881	0.0%
Huff Township	0	0	0	5	5	16,754	0.0%
Jackson Township	18	103	0	10	131	20,422	0.6%
Luce Township	98	1,373	0	429	1,900	231,610	0.8%
Ohio Township	27	325	0	97	450	376,255	0.1%
Rockport Civil City	433	16,702	0	664	17,798	395,552	4.5%
Chrisney Civil Town	240	475	0	78	793	46,356	1.7%
Dale Civil Town	25	836	0	128	988	267,656	0.4%
Gentryville Civil Town	162	923	0	72	1,157	22,293	5.2%
Grandview Civil Town	0	731	0	37	768	78,695	1.0%
Santa Claus Civil Town	1,228	0	0	252	1,480	602,951	0.2%
Richland Civil Town	172	5,064	0	535	5,771	61,851	9.3%
North Spencer County School Corp	4,207	3,619	0	1,949	9,775	5,342,278	0.2%
South Spencer County School Corp	715	15,336	0	2,343	18,394	4,656,732	0.4%
Grandview Public Library	0	0	0	0	0	0	
Rockport Public Library	0	0	0	0	0	0	
Spencer County Contractual Library	0	0	0	0	0	0	
Spencer County Public Library	138	2,951	0	459	3,547	928,909	0.4%
Spencer County Public Library	0	0	0	0	0	0	
Lincoln Heritage Public Library	406	349	0	183	938	493,408	0.2%
Carter Fire Protection Dist	12	149	0	37	197	98,703	0.2%
Spencer County Solid Waste Mgt Dist	147	689	0	145	981	329,695	0.3%
TIF - Santa Claus Carter	0	0	0	0	0	8,189	0.0%
TIF - Santa Claus Clay	0	0	0	0	0	8,902	0.0%
TIF - Grass Township	0	0	0	0	0	3,057,666	0.0%
TIF - North Hammond	0	0	0	0	0	0	
TIF - South Hammond	0	0	0	0	0	178	0.0%
TIF - Santa Claus Harrison	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

## Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.